

**WARD THREE MARSHAL -
CITY OF LAKE CHARLES, LOUISIANA**

**ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORTS**

Years Ended December 31, 2012 and 2011

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INDEPENDENT AUDITORS' REPORT

March 20, 2013

Honorable Joey Alcede
Ward Three Marshal - City of Lake Charles, Louisiana
Lake Charles, Louisiana

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Ward Three Marshal, a component unit of the City of Lake Charles, Louisiana, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the Marshal's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Ward Three Marshal as of December 31, 2012 and 2011, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 5-9 and 35-36, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2013, on our consideration of the Ward Three Marshal's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Ward Three Marshal's internal control over financial reporting and compliance.

Gragson, Casiday & Guillory

WARD THREE MARSHAL - CITY OF LAKE CHARLES

Management's Discussion and Analysis

Within this section of the Ward Three Marshal – City of Lake Charles, LA's (Marshal) annual financial report, the Marshal's management is pleased to provide this narrative discussion and analysis of the financial activities of the Marshal for the years ended December 31, 2012 and 2011. The Marshal's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The Marshal's assets exceeded its liabilities by \$829,479 and \$761,549 (net position) for the year reported respectively.
- Total 2012 revenues of \$554,196 exceeded total 2012 expenses of \$486,266, which resulted in a current year surplus of \$67,930. Total 2011 expenses of \$702,929 exceeded total 2011 revenues of \$584,708, which resulted in a prior year deficit of \$(118,221).
- Total net position is comprised of the following:
 1. Net investment in capital assets of \$162,470 and \$146,660 respectively include equipment, net of accumulated depreciation. There is no outstanding debt related to the purchase or construction of capital assets.
 2. Unrestricted net position of \$667,009 and \$614,889 respectively represents the portion available to maintain the Marshal's continuing obligations to creditors.
- At the end of the current year, unrestricted net position was 137% of total expenses and 120% of total revenues. At the end of the prior year, unrestricted net position was 87% of total expenses and 105% of total revenues.
- Overall, the Marshal continues to maintain a strong financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the Marshal's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Marshal also includes in this report additional information to supplement the basic financial statements.

WARD THREE MARSHAL – CITY OF LAKE CHARLES

Management's Discussion and Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Marshal's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Marshal's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Marshal's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Marshal as a whole is improving or deteriorating. Evaluation of the overall health of the Marshal would extend to information other than the financial information provided in this report, such as diversification of the revenue base.

The second government-wide statement is the *Statement of Activities*, which reports how the Marshal's net position changed during the current and previous fiscal year. All revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Marshal's distinct activities or functions on revenues provided.

Both government-wide financial statements distinguish governmental activities of the Marshal that are principally supported by other revenues and from activities that are intended to recover all or a significant portion of their costs through user fees and charges.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Marshal uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Marshal's most significant funds rather than the Marshal as a whole.

The Marshal has one kind of fund:

Governmental fund is reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Marshal's governmental fund. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

WARD THREE MARSHAL – CITY OF LAKE CHARLES

Management's Discussion and Analysis (Continued)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Marshal's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. This schedule demonstrates compliance with the Marshal's adopted budget.

FINANCIAL ANALYSIS OF THE MARSHAL AS A WHOLE

The Marshal implemented the new financial reporting model used in this report beginning with the year ended December 31, 2004. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Marshal as a whole.

The Marshal's net position at year-end is \$829,479 and \$761,549 respectively. The following table provides a summary of the Marshal's net position:

	<u>2012</u>	<u>2011</u>
Assets:		
Current assets	\$ 669,425	\$ 617,060
Capital assets, net	<u>162,470</u>	<u>146,660</u>
Total assets	<u>\$ 831,895</u>	<u>\$ 763,720</u>
Deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>
Liabilities:		
Current liabilities	<u>\$ 2,416</u>	<u>\$ 2,171</u>
Deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>
Net position:		
Net investment in capital assets	\$ 162,470	\$ 146,660
Unrestricted	<u>667,009</u>	<u>614,889</u>
Total net position	<u>\$ 829,479</u>	<u>\$ 761,549</u>

WARD THREE MARSHAL – CITY OF LAKE CHARLES

Management's Discussion and Analysis (Continued)

The Marshal continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 277 to 1 and 284 to 1 respectively. Net position increased by \$67,930 for the current year and decreased by \$(118,221) for the prior year. Note that approximately 20% of the net position is tied up in capital. The Marshal uses these capital assets to provide services to its recipients.

The following table provides a summary of the Marshal's changes in net position:

	<u>2012</u>	<u>2011</u>
Revenues	\$ 554,196	\$ 584,708
Expenses	<u>486,266</u>	<u>702,929</u>
Change in Net Position	67,930	(118,221)
Beginning Net Position	<u>761,549</u>	<u>879,770</u>
Ending Net Position	<u>\$ 829,479</u>	<u>\$ 761,549</u>

Governmental Revenues

The Marshal is heavily reliant on court fees to support its operations. Court fees provided 52% and 61% of the Marshal's total revenues, respectively.

Governmental Functional Expenses

The total function of the Marshal's office is public safety activities as well as executing orders and serving subpoenas of the City Court. Of the total cost, depreciation on the equipment, vehicles and buildings was \$80,096 or 16.0% of total expenses for the current year and \$77,196 or 12.0% of total expenses for the preceding year, respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Marshal's net investment in capital assets as of December 31, 2012 and 2011, was \$162,470 and \$146,660 respectively. See Note B for additional information about changes in capital assets during the year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

WARD THREE MARSHAL – CITY OF LAKE CHARLES

Management's Discussion and Analysis (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION-Continued

	<u>2012</u>	<u>2011</u>
Non-depreciable assets:		
Land	\$ -	\$ -
Depreciable assets:		
Equipment	558,650	505,664
Less accumulated depreciation	<u>396,180</u>	<u>359,004</u>
Book value-depreciable assets	<u>\$ 162,470</u>	<u>\$ 146,660</u>
Percentage depreciated	<u>71.0 %</u>	<u>71.0 %</u>
Book value-all assets	<u>\$ 162,470</u>	<u>\$ 146,660</u>

The major additions for 2012 were vehicles for a total cost of \$73,500 and 2011 were radios for a total cost of \$23,294.

Long-term debt

At the end of both years, the Marshal had no debt.

ECONOMIC CONDITIONS AFFECTING THE MARSHAL

Since the primary revenue stream for the Marshal is court fees, the Marshal's revenues are subject to changes in the court system.

CONTACTING THE MARSHAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Marshal's finances, comply with finance-related laws and regulations, and demonstrate the Marshal's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Marshal, Joey Alcede, 800 Bilbo, Lake Charles, LA 70601.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF NET POSITION

December 31, 2012 and 2011

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ 668,705	\$ 616,494
Receivables - court fees	720	-
Accrued interest income	-	566
Capital assets, net of accumulated depreciation	162,470	146,660
TOTAL ASSETS	<u>\$ 831,895</u>	<u>\$ 763,720</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES		
Accounts payable	\$ 365	\$ 165
Accrued liabilities	2,051	2,006
TOTAL LIABILITIES	<u>\$ 2,416</u>	<u>\$ 2,171</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>
NET POSITION		
Net investment in capital assets	\$ 162,470	\$ 146,660
Unrestricted	667,009	614,889
TOTAL NET POSITION	<u>\$ 829,479</u>	<u>\$ 761,549</u>

The accompanying notes are an integral part of these financial statements.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF ACTIVITIES

Year Ended December 31, 2012

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Position</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				<u>Governmental Activities</u>
Public safety	<u>\$ 486,266</u>	<u>\$ 554,196</u>	<u>\$ -</u>	<u>\$ 67,930</u>
Changes in Net Position				\$ 67,930
Net Position - Beginning				<u>761,549</u>
Net Position - Ending				<u>\$ 829,479</u>

The accompanying notes are an integral part of these financial statements.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF ACTIVITIES

Year Ended December 31, 2011

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues</u> <u>(Expenses)</u> <u>and Changes in</u> <u>Net Position</u>
		<u>Fees, Fines and</u> <u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental Activities:				
Public safety	<u>\$ 702,929</u>	<u>\$ 584,708</u>	<u>\$ -</u>	<u>\$ (118,221)</u>
Changes in Net Position				\$ (118,221)
Net Position - Beginning				<u>879,770</u>
Net Position - Ending				<u>\$ 761,549</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTIONS

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2012 and 2011

	General	
	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ 668,705	\$ 616,494
Receivables - court fees	720	-
Accrued interest income	-	566
TOTAL ASSETS	<u>669,425</u>	<u>617,060</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 669,425</u>	<u>\$ 617,060</u>
LIABILITIES		
Accounts payable	\$ 365	\$ 165
Accrued liabilities	2,051	2,006
TOTAL LIABILITIES	<u>2,416</u>	<u>2,171</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCES		
Unassigned	<u>667,009</u>	<u>614,889</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 669,425</u>	<u>\$ 617,060</u>

The accompanying notes are an integral part of these financial statements.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

December 31, 2012

Total fund balance for governmental fund at December 31, 2012	\$ 667,009
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Total net position reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Capital assets, net of \$396,180 accumulated depreciation	<u>162,470</u>
Total net position of governmental activities at December 31, 2012	<u><u>\$ 829,479</u></u>

The accompanying notes are an integral part of these financial statements.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

December 31, 2011

Total fund balance for governmental fund at December 31, 2011	\$ 614,889
Total net position reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Capital assets, net of \$359,004 accumulated depreciation	<u>146,660</u>
Total net position of governmental activities at December 31, 2011	<u><u>\$ 761,549</u></u>

The accompanying notes are an integral part of these financial statements.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended December 31, 2012 and 2011

	General	
	<u>2012</u>	<u>2011</u>
REVENUES		
Court fees	\$ 286,473	\$ 358,433
Intergovernmental	80,691	82,894
Commission from fiduciary activities	89,199	87,827
Reserve	70,742	23,049
Citations	<u>27,091</u>	<u>32,506</u>
Total revenues	<u>554,196</u>	<u>584,708</u>
 EXPENDITURES		
General Government		
Automobile	9,427	5,008
Contract Labor	54,530	12,560
Dues and subscriptions	5,729	5,595
Equipment repair	60	50
Law enforcement supplies	16,109	16,304
Legal and professional	179	-
Meals and travel	10,161	7,439
Miscellaneous	1,035	4,441
Office supplies	16,104	27,492
Payroll taxes	12,634	12,754
Rent	1,428	-
Salaries - supplemental	70,410	76,280
Telephone	7,224	5,728
Training and education	1,400	1,700
Uniforms	3,475	4,348
Wages	190,568	196,036
Intergovernmental	3,600	250,000
Capital Outlay	<u>98,003</u>	<u>23,294</u>
Total expenditures	<u>502,076</u>	<u>649,029</u>
 NET CHANGES IN FUND BALANCE	 52,120	 (64,321)
 FUND BALANCE - BEGINNING	 <u>614,889</u>	 <u>679,210</u>
 FUND BALANCE - ENDING	 <u><u>\$ 667,009</u></u>	 <u><u>\$ 614,889</u></u>

The accompanying notes are an integral part of these financial statements.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES

Year Ended December 31, 2012

Total net changes in fund balance at December 31, 2012 per Statement of Revenues, Expenditures and Changes in Fund Balances			\$ 52,120
The change in net position reported for governmental activities in the Statement of Activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$	98,003	
Depreciation expense for the year ended December 31, 2012		(80,096)	
Loss on retirement of fixed assets		<u>(2,097)</u>	<u>15,810</u>
Total changes in net position at December 31, 2012 per Statement of Activities			<u>\$ 67,930</u>

The accompanying notes are an integral part of these financial statements.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES

December 31, 2011

Total net changes in fund balance at December 31, 2011 per Statement of Revenues, Expenditures and Changes in Fund Balances			\$ (64,321)
The change in net position reported for governmental activities in the Statement of Activities is different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$	23,294	
Depreciation expense for the year ended December 31, 2011		(77,196)	
Loss on retirement of fixed assets		<u>-</u>	<u>(53,902)</u>
Total changes in net position at December 31, 2011 per Statement of Activities			<u>\$ (118,223)</u>

The accompanying notes are an integral part of these financial statements.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ 10,140	\$ 7,306
Total Assets	<u>\$ 10,140</u>	<u>\$ 7,306</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES		
Due to others	\$ 10,140	\$ 7,306
Due to other funds	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 10,140</u>	<u>\$ 7,306</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>
NET POSITION		
Unrestricted	<u>\$ -</u>	<u>\$ -</u>
Total Net Position	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
REVENUES		
Garnishments	1,302,153	\$ 1,267,473
Cash appearance bonds	-	-
Fines and costs	-	-
Suits, sales, seizures, etc.	39,683	22,458
Interest income	34	-
Total revenues	<u>1,341,870</u>	<u>1,289,931</u>
EXPENSES		
Remittance of seizures, bond forfeitures, fines and cost:		
General Fund	89,199	87,827
Attorneys	779,259	1,150,757
Other	473,412	51,347
Refunds - cash bonds	-	-
Total expenses	<u>1,341,870</u>	<u>1,289,931</u>
CHANGE IN NET POSITION	-	-
NET POSITION - BEGINNING	<u>-</u>	<u>-</u>
NET POSITION - ENDING	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Louisiana State Statute, the Marshal serves a six-year term as the chief executive officer of the City Court of Lake Charles, LA. The Marshal's responsibilities include executing the orders and mandates and serving subpoenas of the City Court as well as enforcing state and local laws and ordinances within the territorial boundaries of Ward Three of Calcasieu Parish, Louisiana. The Marshal also collects and disburses garnishments of wages, cash bonds, and installment payments of fines under orders of the City Court.

Much of the operations of the Marshal's Office is funded by the City of Lake Charles. The City pays the salaries of the regular deputy marshals, funds most of the operating expenditures, and provides the Marshal with office space. Such expenditures are included in the general fund, of the City of Lake Charles, LA and are not included in these component unit financial statements. These financial statements include expenditures funded from other sources such as court fees, intergovernmental revenues, and fees from fiduciary activities. Also included in these financials are certain agency funds that are maintained by the Marshal.

The financial statements of the Ward Three Marshal have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The more significant of the government's accounting policies are described below.

1. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Ward Three Marshal includes all funds, account groups, et cetera, that are within the oversight responsibility of the Ward Three Marshal.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Lake Charles, LA for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City of Lake Charles, LA to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits or to impose specific financial burden on the City of Lake Charles, LA.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Organizations for which the City of Lake Charles, LA. does not appoint a voting majority but are fiscally dependent on the City of Lake Charles, LA.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the City of Lake Charles, LA financial statements would be misleading if data of the Ward Three Marshal was not included and due to the nature and significance of the relationship, the Marshal was determined to be a component unit of the City of Lake Charles, LA., the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the City of Lake Charles, LA., the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

2. BASIS OF PRESENTATION

The accompanying basic financial statements of the Ward Three Marshal have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position is adopted for the year ended December 31, 2012. GASB 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, Elements of Financial Statements introduced and defined in those elements as a consumption of net assets by the government that is applicable to a future reporting period and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance of reporting those financial elements, which are distinct from assets and liabilities. Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Marshal as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Marshal's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Marshal, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Marshal uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Marshal functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Marshal are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the Marshal or its total assets, liabilities, revenues, or expenditures of the individual governmental and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Marshal reports the following major fund:

The General Fund is the primary operating fund of the Marshal. It accounts for all financial resources except those that are required to be accounted for in other funds.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. BUDGET PRACTICES

Formal budgeting integration is employed as a management control device during the year for the general fund. These budgets are adopted on a basis consistent with generally accepted accounting principles.

5. CASH

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts, time deposits and those other investments with original maturities of 90 days or less. Under state law, the Marshal may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2012 and 2011, the Marshal has \$718,059 and \$623,800, respectively in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank.

6. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. The Marshal maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Automobiles	5-7 years
Equipment	5-7 years
Furniture and fixtures	5-7 years

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

7. EQUITY CLASSIFICATION

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position– Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as assigned and unassigned.

- a. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal actions.
- b. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

8. REVENUES, EXPENDITURES, AND EXPENSES

Revenue. Court fees and intergovernmental revenue are received in the month following collection by the City Court. The Marshal recognizes court fee revenue and intergovernmental revenue during the month they are collected by the City Court. The Marshal recognizes fees from fiduciary activities in the period such fees are collected.

Expenditures. Salaries are recorded when paid. Purchases of capital assets and other goods and services are recorded when those goods or services have been delivered. Principal and interest on general long-term obligations are recognized when due.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 20, 2013, the date the financial statements were available to be issued.

11. COMPARATIVE DATA

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Marshal's financial position and operations.

NOTE B – CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2012 follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at End of Period</u>
Automobiles	\$ 332,880	\$ 73,500	\$ 45,017	\$ 361,363
Furniture and fixtures	8,476	-	-	8,476
Equipment	<u>164,308</u>	<u>24,503</u>	<u>-</u>	<u>188,811</u>
	505,664	98,003	45,017	558,650
Less accumulated depreciation:				
Automobile	221,813	64,296	42,920	243,189
Furniture and fixtures	8,472	-	-	8,472
Equipment	<u>128,719</u>	<u>15,800</u>	<u>-</u>	<u>144,519</u>
	<u>359,004</u>	<u>80,096</u>	<u>42,920</u>	<u>396,180</u>
	<u>\$ 146,660</u>	<u>\$ 17,907</u>	<u>\$ 2,097</u>	<u>\$ 162,470</u>

Depreciation expense for the year was \$ 80,096.

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE B – CAPITAL ASSETS - CONTINUED

A summary of changes in capital assets for the year ended December 31, 2011 follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at End of Period</u>
Automobiles	\$ 332,880	\$ -	\$ -	\$ 332,880
Furniture and fixtures	8,476	-	-	8,476
Equipment	<u>141,014</u>	<u>23,294</u>	<u>-</u>	<u>164,308</u>
	482,370	23,294	-	505,664
Less accumulated depreciation:				
Automobile	157,097	64,716	-	221,813
Furniture and fixtures	8,323	149	-	8,472
Equipment	<u>116,388</u>	<u>12,331</u>	<u>-</u>	<u>128,719</u>
	<u>281,808</u>	<u>77,196</u>	<u>-</u>	<u>359,004</u>
	<u>\$ 200,562</u>	<u>\$ (53,902)</u>	<u>\$ -</u>	<u>\$ 146,660</u>

Depreciation expense for the year was \$77,196.

NOTE C – CHANGES IN AGENCY FUND DUE TO OTHERS

A summary of changes in agency fund due to others for the year ended December 31, 2012, is as follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Disbursements</u>	<u>Balance at End of Period</u>
Garnishments funds	\$ 1,406	\$ 1,302,187	\$ (1,299,213)	\$ 4,380
Bonds fund	5,087	-	-	5,087
Seizures fund	813	39,683	(39,823)	673
Violations fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,306</u>	<u>\$ 1,341,870</u>	<u>\$ (1,339,036)</u>	<u>\$ 10,140</u>

Continued

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE C – CHANGES IN AGENCY FUND DUE TO OTHERS - CONTINUED

A summary of changes in agency fund due to others for the year ended December 31, 2011, is as follows:

	<u>Balance at Beginning of Period</u>	<u>Additions</u>	<u>Disbursements</u>	<u>Balance at End of Period</u>
Garnishments funds	\$ 868	\$ 1,267,473	\$ (1,266,935)	\$ 1,460
Bonds fund	5,087	-	-	5,087
Seizures fund	583	22,458	(22,228)	813
Violations fund	-	-	-	-
	<u>\$ 6,538</u>	<u>\$ 1,289,931</u>	<u>\$ (1,289,163)</u>	<u>\$ 7,306</u>

NOTE D-COMMISSIONS

In accordance with state statute, the Marshal receives a commission of six percent of garnishments and other collections related to orders of the City Court as part of his compensation. The Marshal also receives six percent of the proceeds of sales of seized property as part of his compensation. During the period ended December 31, 2012 and 2011, commissions paid to the Marshal from the related agency funds totaled \$89,199 and \$87,827, respectively.

NOTE E- COMMITMENTS AND CONTINGENCIES

The Marshal is covered for substantially all business risks under the risk management programs of the City of Lake Charles, LA.

REQUIRED SUPPLEMENTARY INFORMATION

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

Year Ended December 31, 2012

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Court fees	\$ 320,000	\$ 300,000	\$ 286,473	\$ (13,527)
Intergovernmental	-	-	80,691	80,691
Commission from fiduciary activities	165,000	180,000	89,199	(90,801)
Reserve	35,000	25,000	70,742	45,742
Citations	-	-	27,091	27,091
Total revenues	520,000	505,000	554,196	49,196
EXPENDITURES				
General Government				
Automobile	90,000	81,000	9,427	71,573
Contract Labor	25,000	23,000	54,530	(31,530)
Dues and subscriptions	6,000	6,000	5,729	271
Equipment repair	3,000	3,000	60	2,940
Law enforcement supplies	40,000	35,000	16,109	18,891
Legal and professional	2,000	5,000	179	4,821
Meals and travel	10,000	10,000	10,161	(161)
Miscellaneous	4,500	6,000	1,035	4,965
Office supplies	15,200	23,200	16,104	7,096
Payroll taxes	15,000	20,000	12,634	7,366
Rent	4,500	3,000	1,428	1,572
Salaries - supplemental	50,000	80,000	70,410	9,590
Telephone	7,500	7,500	7,224	276
Training and education	3,000	3,000	1,400	1,600
Uniforms	5,000	5,000	3,475	1,525
Wages	205,000	220,000	190,568	29,432
Intergovernmental	3,600	3,600	3,600	-
Capital Outlay	2,000	5,000	98,003	(93,003)
Total expenditures	491,300	539,300	502,076	37,224
NET CHANGES IN FUND BALANCE	28,700	(34,300)	52,120	86,420
FUND BALANCE - BEGINNING	614,889	614,889	614,889	-
FUND BALANCE - ENDING	\$ 643,589	\$ 580,589	\$ 667,009	\$ 86,420

The accompanying notes are an integral part of the basic financial statements.

WARD THREE MARSHAL - CITY OF LAKE CHARLES, LOUISIANA

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

Year Ended December 31, 2011

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Court fees	\$ 280,000	\$ 358,433	\$ 78,433
Intergovernmental	-	82,894	82,894
Commission from fiduciary activities	180,000	87,827	(92,173)
Reserve	25,000	23,049	(1,951)
Citations	-	32,506	32,506
Total revenues	<u>485,000</u>	<u>584,708</u>	<u>99,708</u>
EXPENDITURES			
General Government			
Automobile	66,000	5,008	60,992
Contract Labor	15,000	12,560	2,440
Dues and subscriptions	6,000	5,595	405
Equipment repair	3,000	50	2,950
Law enforcement supplies	45,000	16,304	28,696
Legal and professional	5,000	-	5,000
Meals and travel	10,000	7,439	2,561
Miscellaneous	6,000	4,441	1,559
Office supplies	23,200	27,492	(4,292)
Payroll taxes	20,000	12,754	7,246
Rent	3,000	-	3,000
Salaries - supplemental	80,000	76,280	3,720
Telephone	7,500	5,728	1,772
Training and education	3,000	1,700	1,300
Uniforms	5,000	4,348	652
Wages	215,000	196,036	18,964
Intergovernmental	253,600	250,000	3,600
Capital Outlay	5,000	23,294	(18,294)
Total expenditures	<u>771,300</u>	<u>649,029</u>	<u>122,271</u>
NET CHANGES IN FUND BALANCE	(286,300)	(64,321)	221,979
FUND BALANCE - BEGINNING	<u>614,889</u>	<u>614,889</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 328,589</u>	<u>\$ 667,009</u>	<u>\$ 221,979</u>

The accompanying notes are an integral part of the basic financial statements.



INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

March 20, 2013

Honorable Joey Alcede
Ward Three Marshal — City of Lake Charles, Louisiana
Lake Charles, LA

We have audited the financial statements of the Ward Three Marshal, a component unit of the City of Lake Charles, Louisiana, as of and for the period ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Ward Three Marshal's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ward Three Marshal's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ward Three Marshal's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or, detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ward Three Marshal's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

WARD THREE MARSHAL – CITY OF LAKE CHARLES, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 2012

1. Summary of Auditors' Results:

Type of auditors' opinion issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Control deficiency(s) identified that are not considered to be material weakness(es)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

2. Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

None

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Audit Findings

None